

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 INT-08 SCEM-02 SPC-03 AID-20

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15 STR-08 OMB-01

CEA-02 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

PA-03 PRS-01 USIA-15 ACDA-19 IO-13 COME-00 FRB-02

XMB-07 OPIC-12 LAB-06 SIL-01 DRC-01 /203 W
----- 050137

R 242147Z SEP 73

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 0888

INFO AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

C O N F I D E N T I A L GUATEMALA 4644

E.O.11652: GDS

TAGS: ENRG, EGEN, GT

SUBJECT: PETROLEUM SITUATION

REF: GUATEMALA 4519

1. MINISTER OF ECONOMY MOLINA CALLED SEPTEMBER 21 TO SAY THAT HE AND TEXACO MANAGER CRAWFORD, WITH WHOM HE HAD MET EARLIER IN THE DAY, APPEARED TO BE NEAR A PRICE AGREEMENT THAT WOULD BE SATISFACTORY TO BOTH THE COMPANY AND THE GOG. HE ADDED HE WAS CHECKING SOME FINAL FIGURES AND DETAILS OF THE PROPOSED AGREEMENT, AND HAD SENT A REPRESENTATIVE TO SALVADOR TO CHECK SOME FIGURES THERE. HE STATED, HOWEVER, THAT HE FELT HE COULD NOT COME TO FINAL AGREEMENT WITH TEXACO IN THE FACE OF THE "THREAT" TO BEGIN RATIONING PETROLEUM PRODUCTS ON OCTOBER 1, AS THIS WOULD BE BOWING TO PRESSURE. HE ASKED ME TO PASS THIS MESSAGE ON TO CRAWFORD AND TO TELL
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HIM THAT IF THE THREAT OF RATIONING WERE WITHDRAWN,

HE'D GIVE HIS WORD OF HONOR (PALABRA DE CABALLERO) THAT HE WOULD HAVE THE PROBLEM SOLVED WITHIN A FEW WEEKS AND AT LATEST BY OCTOBER 15. HE SAID HE NEEDED SOME TIME TO DISCUSS THE PROPOSED AGREEMENT WITH THE MINISTER OF FINANCE AND OTHER APPROPRIATE GOG OFFICIALS, AND THAT IF FOR ANY UNFORESEEN REASON HE COULD NOT FINALIZE AN ACCEPTABLE AGREEMENT BY THAT DATE, HE WOULD ACCEPT THE RATIONING WITHOUT RANCOR. THE MINISTER NOTED THAT HE HAD ANOTHER MEETING SCHEDULED WITH CRAWFORD FOR TUESDAY, SEPTEMBER 25.

2. CRAWFORD CALLED AT THE EMBASSY LATE FRIDAY AFTERNOON. AS I HAD IN OUR PREVIOUS CONVERSATION, I ASSURED HIM THAT THE EMBASSY WAS NOT ATTEMPTING TO BECOME INVOLVED IN THE SUBSTANCE OF HIS NEGOTIATIONS WITH THE GOG, BUT THAT I MERELY WISHED TO PASS ON TO HIM WHAT THE MINISTER HAD SAID, WHICH I PROCEEDED TO DO.

3. CRAWFORD SAID HE WOULD HAVE TO DISCUSS THE LATEST DEVELOPMENTS WITH HIS HOME OFFICE AND WOULD TRY TO HAVE AN ANSWER FOR THE MINISTER BY TUESDAY. THE IMPRESSION HE GAVE WAS THAT THE MINISTER WAS RIGHT WHEN HE SAID THEY WERE NEARING A SATISFACOTORY AGREEMENT AND THAT HE (CRAWFORD) WAS INCLINED TO RECOMMEND TO HIS SUPERVISORS THAT THE "THREAT" BE LIFTED IN THE INTEREST OF GETTING THE AGREEMENT FINALIZED. NEITHER CRAWFORD OR THE MINISTER WENT INTO DETAIL ABOUT THE PROPOSED AGREEMENT. GOG OFFICIALS, IN RECENT PRESS STATEMENTS, APPEAR TO BE TRYING TO PREPARE THE PUBLIC FOR A RISE IN RETAIL GAS PRICES.
DREYFUSS

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